

Measure Up

Winter 2012

Assessment news for high school teachers



Did you know?

- ***The NAEP economics assessment was administered to 12th-graders for the first time in 2006.***
- ***The student sample size for the 2006 assessment was 11,900, representing a target population of 3,095,000 12th-graders.***

NAEP Economics Assessment

Economic literacy is essential for individuals to function effectively in their own personal lives, as participants in an increasingly connected world economy, and as citizens. The National Assessment of Educational Progress (NAEP) economics assessment measures what students at grade 12 know about economics.

NAEP measured the economics knowledge and skills of students in grade 12 for the first time in 2006. The NAEP 2012 economics assessment will be administered to grade 12 students from January to March 2012.

The NAEP economics assessment was developed and reviewed by a committee of economics educators and experts to capture the goals of the economics framework. The National Assessment Governing Board, through a comprehensive national process involving economics teachers, representatives of professional education organizations and the private sector, policymakers, and members of the general public, created the framework, which describes the goals of the assessment and what kinds of exercises it ought to feature.

What Does the NAEP Economics Assessment Measure?

According to the NAEP economics framework, economic literacy is defined as the ability to identify, analyze, and evaluate the consequences of individual decisions and public policy. Economic literacy includes an understanding of

- the fundamental constraints imposed by limited resources, the resulting choices people have to make, and the trade-offs they face;
- how economies and markets work and how people function within them; and
- the benefits and costs of economic interaction and interdependence among people and nations.

The economics assessment measures and will report results for three content areas: the Market Economy, the National Economy, and the International Economy. Recognizing that students acquire economics knowledge and skills inside and outside of school, the framework requests that questions be set in various contexts, as follows:

- Individual or household questions focus on topics related to personal finance.
- Business questions relate to entrepreneurs, workers, producers, and investors.
- Public questions relate to government, policy, citizenship, and domestic and international organizations.

Access the NAEP economics framework at http://www.nagb.org/publications/frameworks/economics_06.pdf



NAEP 2006 Economics Achievement-Level Results

There are three achievement levels for each grade assessed by NAEP (4, 8, and 12): *Basic*, *Proficient*, and *Advanced*. The following definitions apply to all subjects and all grades assessed by NAEP:

| Achievement Level | Achievement-Level Policy Definitions |
|-------------------|--|
| Basic | Partial mastery of prerequisite knowledge and skills that are fundamental for proficient work at each grade. |
| Proficient | Solid academic performance for each grade assessed. Students reaching this level have demonstrated competency over challenging subject matter, including subject-matter knowledge, application of such knowledge to real-world situations, and analytical skills appropriate to the subject matter. |
| Advanced | Superior performance. |

Following are highlights from the 2006 economics assessment:

- Most students at grade 12 have at least a *Basic* understanding of economics.
- Male students, on average, outperformed female students on the first ever NAEP economics assessment.
- White and Asian/Pacific-Islander students, on average, scored higher than all other racial/ethnic groups.
- Most 12th-graders reported some exposure to economics content during high school.

Market Economy Sample Question

The constructed-response question on this page measured analysis and interpretation skills for the content area Market Economy. Student responses were scored according to a 3-point scale as “Correct,” “Partially Correct,” or “Incorrect.” The sample response below is an example of a “Correct” response.

Overall, 72 percent of 12th-graders were scored as having a “Correct” response on this sample question. When only the students at the *Proficient* level are considered, 87 percent scored “Correct.”

Luisa has decided to give up her full-time job to go back to school. Identify one potential economic risk and one potential economic benefit that Luisa might have considered in making her decision.

A risk would be that Luisa will not get her yearly income making it hard to pay bills, feed herself, or drive. An economic benefit would be that with furthering her education, she may be promoted in position with the company she goes to work for, or find a new job that allows her to increase her salary.

National Economy Sample Question

The multiple-choice question below from the grade 12 economics assessment measured student knowledge of the content area National Economy.

Overall, 36 percent of 12th-graders were scored as having a “Correct” response on this sample question. When only the students at the *Proficient* level are considered, 48 percent answered correctly.

In the United States, which of the following forms of taxation currently represents the largest source of tax revenue for the federal government?

- ☐ (A) Property tax
- ☐ (B) Sales tax
- ☐ (C) Corporate income tax
- ☐ (D) Personal income tax



Students were sampled to participate in the assessment regardless of whether or not they had taken an economics course.

International Economy Sample Question

The following multiple-choice question from the grade 12 economics assessment measured student knowledge of the content area International Economy.

Overall, 61 percent of 12th-graders were scored as having a “Correct” response on this sample question. When only the students at the *Proficient* level are considered, 76 percent answered correctly.

Because Country A has no domestic sources of wood, it imports all its wood from wood-producing countries. If the price of wood in wood-producing countries rises substantially, which of the following is most likely to occur?

- ☐ (A) Country A will import more wood to meet rising demand.
- ☐ (B) Country A will impose a tariff on wood imports.
- ☐ (C) Housing prices in Country A will increase as wood imports become more expensive.
- ☐ (D) Profits in other wood-producing countries will increase because of exports to Country A.

More information is available in *The Nation’s Report Card: Economics 2006* at <http://nces.ed.gov/nationsreportcard/pdf/main2006/2007475.pdf>.



What Is The Nation's Report Card?

The Nation's Report Card informs the public about the academic achievement of elementary and secondary students in the United States. Report cards communicate the findings of the National Assessment of Educational Progress (NAEP), a continuing and nationally representative measure of achievement in various subjects over time.

Since 1969, NAEP assessments have been conducted periodically in reading, mathematics, science, writing, U.S. history, civics, geography, and other subjects. By collecting and reporting information on student performance at the national, state, and local levels, NAEP is an integral part of our nation's evaluation of the condition and progress of education. Only information related to academic achievement and relevant variables is collected. The privacy of individual students and their families is protected, and the identities of participating schools are not released.

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